

REMARKS

Claims 1 – 20 are pending in the application. Claim 20 is cancelled

Claim Objections

The informality in claim 13 has been corrected.

Claim Rejections – 35 USC 102

In this section of the official action, Claims 1 – 3, 7 and 8 were rejected under 35 USC 102(e) as being as being anticipated by Aggarwal, US Patent 6,151,589.

In response to this objection, claim 1 has been amended as presented above to more particularly point out the invention. Claim 1 now clearly recites a function assigning intermediate price values to intermediate times between the start (first) time and the finish (second) time. Any bid that is received presumably corresponds to a price that is defined by the function and therefore to a time somewhere between the start and the finish. Once the bid has been assigned a time, then the bidder gets his bid at his bid price when his assigned time is reached, provided the product is still available. Thus the generous bidders are rewarded by immediate or near immediate acceptance and the less generous bidders have to wait and take their chances that enough product will remain.

By contrast Aggarwal does not compute a function that computes a bid price for different times between an opening and a closing auction time. Bids that are made are not assigned times according to the function. Rather Aggarwal allows bids to be entered by a user together with a duration. Furthermore, the bid entry time is saved by the system, but this is simply the time that the bid is entered and is not a

time-price function as required by the present claims. According to the abstract the bid entry time is simply used to allow the bid response time to be obtained by the system to enable buyers to schedule the next auction. The Examiner is referred to Aggarwal column 4 lines 16 – 25 where it is quite explicitly stated that the buyer making the highest bid between the start and finished times “is declared to be the winner. This is not the same as the system claimed in which a *continuous function* is determined *between* the start and finish times to provide a *price-time line*. Any bid waits until its *price crosses the price time line*. The time at which it crosses is taken to be the “bid time” that is the time when the bid becomes effective, and wins *if* there is still product left. None of these features are found in Aggarwal which simply takes the highest bidder between the start and finish times.

It is therefore believed that claim 1 is novel in light of Aggarwal. It is further believed that claim 1 as currently amended is inventive in light of Aggarwal since Aggarwal does not provide any hint that a *reserve price for bids* should be made *a function of time*. Furthermore it does not provide any hint that a bid should be accepted *at a time* when its price level coincides with the function.

Furthermore on the issue of inventive step, the invention as claimed in claim 1 defines a way to translate the intrinsic time dependence of the value of an article to an auction when the auction remains open for a long period, for example a week or even a year or more. Such a system can work for both unique items like renting an apartment and a number of identical items like a plain ticket, where the value of the time to the bidder changes with the time of the transaction. Thus it may be that a traveler wants to know at least 7 days before he travels that he is leaving on a certain flight to allow him to arrange accordingly. On the one hand he does not really need to know longer ahead of time and prefers to get a less expensive ticket but is

prepared to pay more in order to know for the full 7 days. Moreover, the system allows this period of 7 days to be a bit flexible and depend on the price as a function of the time offered, i.e a ticket with a stronger time dependency would encourage a traveler to decide that 5 days is enough as well and a ticket with a less strong time dependency allow a traveler with the same budget to decide to extend this period to 9 days. For some unique items like real-estate buying, renting etc. the time determined with the bid can be the time at which the article becomes the property of the bidder and he can start using it afterwards. Hence it can be very important for a potential buyer or renter of a real estate property when he can start using it, and the height of his bid can strongly depend on it.

The constructions suggested in the application of Aggarwal and Godin do not permit or even hint at a way to translate the intrinsic time dependence of the value of an article. Furthermore, in the way their auction method is presented the bidder cannot make a bid decision where he determines both the height of the bid and the close time of the transaction.

Claims 2-12 are believed to be allowable as being dependent on an allowable main claim.

Claim 19 is rejected for lacking novelty over Biggus US Patent No. 6,401,080. Claim 19 has been amended as above to recite that the calculation mechanism calculates a price having a fifty per cent chance of being accepted and reports this to the potential bidder. By contrast, the calculation mechanism of Biggus is not for informing parties as to what level they should pitch a bid at. Rather, two regions are defined by the calculator over the range 0 - 1, a non-accept region and an accept region. Then as described in column 15 lines 25 to 31, a random number is

selected and, if the number lands in the accept region then the bid is accepted. If it lands in the non-accept region then the bid is not accepted.

Thus whilst it is true that Biggus calculates probability of a bid being accepted, it does not use the calculation to determine a bid level that has a 50% probability of being accepted and it does not inform the potential bidder. Furthermore the bid calculator of the present invention works on potential bids. The bid calculator of Biggus works specifically on bids that have already been placed. Thus claim 19 as amended is believed to be novel over the current art.

As far as inventive step is concerned, it is not obvious to take Biggus and calculate a bid price level that has a 50% chance of being accepted. In Biggus the focus is explicitly on bids that have already been placed. It is not possible to make a bid recommendation for a bid that has already been placed. If a bid has already been placed then a price has already been defined for which the chances of acceptance need to be calculated. By contrast the present invention defines a price for a given probability of acceptance, which is exactly the opposite way round. It is not obvious to go from one to the other because it is not meaningful to place a bid of say \$5 and be told that had you placed a bid of \$6 you would have a 50% chance of being accepted. It is only meaningful to be told that a bid of \$6 has a 50% chance of being accepted if you have not yet placed a bid and require information on what bid to place. In the case of the present invention the system as claimed in claim 19 is restricted to advising a user before he places a bid, and thus giving a price level that corresponds to a given probability makes more sense, but as explained cannot be derived from the prior art.

Rejections under 35 USC 103

Claims 4 – 6 and 10 – 13 are rejected under 35 USC 103(a) as being obvious over Aggarwal in view of Godin US Patent No. 6,266,652.

Claims 4-6 and 10-12 are believed to be allowable as being dependent on an allowable main claim, namely claim 1. Claim 13 has now been amended to state that a first and a second quantity are predetermined and bid prices are applied to these quantities. A function is then set for applying intermediate prices to intermediate quantities between these functions so that bids may be accepted according to an accumulated quantity.

The Examiner objects that the quantity feature, not taught in Agarwahal, is rendered obvious by Godin. Specifically the Examiner states that Godin teaches “a method of processing bids over a network in which upon receipt of a bid, calculating a cumulative quantity of times bid for and offering said items at a bid level corresponding to said cumulative quantity (column 8 lines 55-43)”. The passage pointed to by the Examiner is in fact a passage that bridges the end of the description and the start of claim 1. It is presumed that the Examiner is referring to claim 1, but claim 1 simply indicates that the quantities on offer are varied in line with the bids received. This is very different from providing a function that alters the price between a start point and an end point in accordance with an accumulated quantity. That is to say Godin does change the price during the auction and does vary the quantity *on offer*. However there is *no connection* between the price on the one hand *and* the *cumulative quantity that has been bid for*. In fact Godin relates only to the *quantity on offer* and not to the *quantity that has been bid for* (c.f. for example column 6 line 41 “products left, column 8 lines 26-27 “quantity remaining”). Only in the present invention as claimed in claim 13 does the cumulative *quantity that has been bid for*

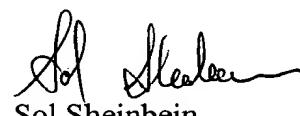
serve as the input to a function that sets the bid price. Indeed in Godin the word "cumulative" does not appear. The only continuous function that Godin recognizes is the demand curve of column 7 line 65 ff, but this relates only to sales analysis data and does not relate to management of the auction itself.

Since Aggarwal does not refer to quantities at all, and neither does it teach a start and end point having a continuous function in between, and since Godin does not teach cumulative quantities that have been bid for, it is respectfully submitted that none of the features in claim 13 are found in the cited prior art and that therefore the combination is not rendered obvious. That is believed to be irrespective of whether it is obvious to combine Aggarwal – A system for continuous auctions – with Godin – a reverse auction process with rapid feedback.

Claims 14-18 are believed to be allowable as being dependent on an allowable main claim.

All of the issues raised by the Examiner have been dealt with. In view of the foregoing, it is submitted that all the claims now pending in the application are allowable over the cited reference. An early Notice of Allowance is therefore respectfully requested.

Respectfully submitted,



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Date: May 18, 2004